

JOINT NEWS RELEASE FROM THE UTAH DEPARTMENT OF HEALTH  
AND INTERMOUNTAIN HEALTH CARE



NEWS  
RELEASE

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## **IHC and State to Offer Medicaid Preferred Provider Network**

(Salt Lake City, UT) – IHC Health Plans and the State Medicaid Program have announced another option for persons covered by Medicaid, a preferred provider network (PPN). Named IHC Access, the PPN will offer Medicaid recipients access to IHC hospitals and physicians for their medical services. More than 145,000 Utahns receive medical insurance coverage through the Medicaid Program.

IHC currently operates a Medicaid health maintenance organization (HMO), also named IHC Access, that will be discontinued October 1, 2002. Members of that HMO, about 42,000 Utahns in Salt Lake, Davis, Weber, and Utah counties, will now have coverage in the PPN and automatically continue in the existing provider network. They should see only a few changes, and will continue to use the same Medicaid insurance card they were issued.

With this change to the PPN, the state will now determine benefits for these Medicaid recipients, process and pay claims from medical providers, and take calls from Medicaid patients who may have questions or problems.

“IHC is committed to participating in the Medicaid program and will continue to care for Medicaid patients in our physician network, hospitals, and clinics just as we have for decades,” said Sid Paulson, IHC Health Plans President. “People will receive the care they need through the same provider network as before. The primary thing changing is that the program will be administered by the State of Utah through the preferred provider network instead of through an HMO.”

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Medicaid is the state-administered federal health insurance program for citizens with low-incomes. For every dollar allocated by the state to Medicaid, the federal government provides \$3 in matching funds. Each state is responsible for administering its own Medicaid program.

“A primary objective of the State Medicaid Program is to give clients a broad choice of physicians and hospitals,” said Rod Betit, Executive Director of the Utah Department of Health (UDOH). “It’s important for clients to be able to stay with their selected physician over several months or years. The participation of the IHC health delivery system helps assure good access for Medicaid patients to physician and medical services.”

PPNs and preferred provider organizations (PPOs) constitute the largest and fastest growing sector of the health insurance industry—more than 100 million Americans are enrolled in PPNs, according to the National Committee for Quality Assurance.

The development of the PPN became necessary when IHC’s Medicaid HMO began experiencing significant financial losses, primarily due to rapidly increasing utilization of services by Medicaid participants that exceeded the funding available from government. These continued losses would have eventually affected IHC’s ability to provide other health programs in the community.

Medicaid reimbursement levels create a problem affecting many managed care plans participating in Medicaid around the nation. In Utah, United Healthcare and Altius Health Plans discontinued their Medicaid insurance plans after experiencing financial concerns. With these changes, IHC, Molina of Utah (formerly American Family Care), and HealthyU are the remaining organizations providing Medicaid insurance coverage. With these three plans, Medicaid clients will continue to have their health care managed and a reasonable choice in health care providers. UDOH continues to negotiate with other plans to further improve access to needed health care.

Questions about the changes can be directed to the Medicaid Information Line at 801-538-6155 or 1-800-662-9651, or to IHC Access at 1-800-442-9023.

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